

VZCZCXRO4420
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #3830/01 2320816
ZNR UUUUU ZZH
P 200816Z AUG 07
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 6645
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/CTF 72
RUEHNH/AMCONSUL NAHA 5081
RUEHFK/AMCONSUL FUKUOKA 2653
RUEHOK/AMCONSUL OSAKA KOBE 6272
RUEHNAG/AMCONSUL NAGOYA 1676
RUEHKSO/AMCONSUL SAPPORO 3412
RUEHBJ/AMEMBASSY BEIJING 8479
RUEHUL/AMEMBASSY SEOUL 4544
RUCNDT/USMISSION USUN NEW YORK 5495

UNCLAS SECTION 01 OF 13 TOKYO 003830

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/20/07

Index:

- (1) Post-election poll
- (2) Viewpoint - The Issue of Extending the Special Anti-terrorism Measures Law
- (3) Reform council to take up agriculture, forestry and fisheries industries in final report due out at year's end
- (4) DPJ think-tank stepping up presence in party by compiling own pension plan
- (5) Editorial: Prime Minister Abe must use caution in discussing late Judge Pal
- (6) Political Funds - Female employee in Shiozaki's office embezzles funds for personal overseas trip and other purposes
- (7) TOP HEADLINES
- (8) EDITORIALS
- (9) Prime Minister's schedule, August 19

ARTICLES:

- (1) Post-election poll

YOMIURI (Page 11) (Full)

August 11, 2007

Questions & Answers
(Figures shown in percentage)

Q: Do you support the Abe cabinet?

Yes 27.2
No 63.7
Other answers (O/A) 3.1
No answer (N/A) 5.9

Q: Which political party do you support now? Pick only one.

Liberal Democratic Party (LDP) 25.8
Democratic Party of Japan (DPJ or Minshuto) 26.9
New Komeito (NK) 3.6
Japanese Communist Party (JCP) 2.2
Social Democratic Party (SDP or Shaminto) 1.0
People's New Party (PNP or Kokumin Shinto) 0.2
New Party Nippon (NPN or Shinto Nippon) 0.4
Other political parties 0.1
None 38.7
N/A 1.1

Q: (Only for those who answered "none" to the foregoing question)
Why? Pick only one from among those listed below.

Because I don't want to support any political parties 7.8
Because I don't have any particular political parties that I want to
support for now 69.2
Because I'm not interested in politics 16.1

TOKYO 00003830 002 OF 013

Other answers (O/A) 3.8
N/A 3.2

Q: Do you support the government's steps to deal with its pension
record-keeping flaws?

Support very much 7.7
Support somewhat 29.5
Don't support very much 31.9
Don't support at all 27.5
N/A 3.4

Q: In the July 29 election for the House of Councillors, the LDP and
its coalition partner, New Komeito, suffered a crushing defeat. As a
result, the DPJ and other opposition parties have more than half of
the seats. Do you think this outcome is favorable on the whole?

Yes 33.9
Yes to a certain degree 27.2
No to a certain degree 19.2
No 12.3
N/A 7.4

Q: When do you think it would be better to dissolve the House of
Representatives for the next general election? Pick only one from
among those listed below.

As soon as possible 31.8
By the end of this year 21.4
In the spring of next year after the budget for next fiscal year
clears the Diet 10.3
By the end of next year 12.6
By the end of the prime minister's term of office as LDP president
in September 2009 16.2
N/A 7.7

Q: Which political party between the LDP and the DPJ would you like
to see win in the next election for the House of Representatives?

LDP 31.6
DPJ 36.4
Can't say which 30.5

N/A 1.5

Q: Which political parties would you like to form a coalition government? Pick only one from among those listed below.

The current coalition of the LDP and New Komeito 21.1
LDP's single-party government 9.9
DPJ-led coalition of opposition parties 27.3
DPJ's single-party government 8.1
Reorganize the ruling and opposition parties to create a new framework of coalition government 20.5
O/A 0.9
N/A 12.3

Q: Do you think politics in Japan will change for the better, or do you otherwise think it will change for the worse?

Change for the better 14.1
Change for the better to a certain degree 39.4
Change for the worse to a certain degree 26.6

TOKYO 00003830 003 OF 013

Change for the worse 7.8
N/A 12.2

Q: In the election this time for the House of Councillors, the finalized turnout of voters was 58%, and there seem to be many people who did not go to the polls. Did you go to the polls?

Yes 79.3
No 20.5
N/A 0.3

Q: (Only for those who answered "yes" to the foregoing question) Why? Pick only one from among those listed below.

Because there was a candidate I wanted to vote for 15.6
Because there was a political party I wanted to vote for 26.1
Because there was an issue on which I wanted to express my will with my vote 23.0
Because I didn't want to abstain from voting 28.9
Because I was inclined to vote 4.2
O/A 1.5
N/A 0.8

Q: (Only for those who answered "yes" to the foregoing question) What time did you go to the polls?

In the morning 50.0
Between 12 noon and 6 p.m. 29.2
After 6 p.m. 9.4
Voted earlier 11.1
N/A 0.3

Q: (Only for those who answered "yes" to the foregoing question) Which political party's candidate did you vote for in your electoral district? Pick only one from among those listed below.

LDP 34.4
DPJ 47.8
NK 3.9
JCP 4.2
SDP 1.6
PNP 0.8
Independent 3.6
N/A 3.5

Q: (Only for those who answered "yes" to the foregoing question) Which political party's candidate or political party did you vote for in your proportional representation bloc? Pick only one from among those listed below.

LDP 31.3
DPJ 46.7
NK 8.0
JCP 4.0

SDP 3.0
PNP 1.4
NPN 1.1
Shimpu (New Breeze) ---
9-jo net 0.2
Kyoseishinto 0.1
Joseito (Women's Party) 0.7
N/A 3.5

TOKYO 00003830 004 OF 013

Q: (Only for those who answered "LDP") Why did you vote for the LDP or its candidate in your proportional representation bloc? Pick as many reasons as you like from among those listed below.

Because I supported the LDP's policies 19.2
Because I supported the Abe cabinet's performance 5.4
Because I had expectations for Prime Minister Abe 27.6
Because I thought the opposition parties were incompetent 30.1
Because I wanted political stability 24.7
Because I always voted for the LDP 30.3
Because there was an attractive candidate 9.0
O/A 2.7
N/A 1.4

Q: (Only for those who answered "DPJ") Why did you vote for the DPJ or its candidate in your proportional representation bloc? Pick as many reasons as you like from among those listed below.

Because I supported the DPJ's policies 17.1
Because I was disappointed at the Abe cabinet's political stance 43.9
Because I had expectations for DPJ President Ozawa 20.2
Because I didn't want the LDP to win 31.8
Because I wanted to see change in politics 43.8
Because I always voted for the DPJ 5.5
Because there was an attractive candidate 5.5
O/A 1.1
N/A 0.6

Q: What did you consider to be important when you chose a candidate or a political party for proportional representation? Pick as many as you like from among those listed below, if any.

Their policies 29.3
Their willingness to reform 29.2
Their nature or management 13.0
Each candidate's personal character or competence 18.6
Each political party head's competence 8.0
Party I always vote for 18.2
Governing party 6.6
Critical stance toward the current coalition government 18.6
O/A + nothing in particular (NIP) + N/A 8.2

Q: When did you finally choose a candidate or a political party to vote for? Pick only one from among those listed below.

Before the election was announced 47.0
Around the July 12 announcement of the election 6.9
In the early stage of campaigning 12.4
In the latter stage of campaigning 18.9
The day before the election 7.4
On the July 29 election day 5.6
N/A 1.8

Q: (Only for those who did not go to the polls) Why? Pick as many reasons as you like from among those listed below.

Because I was fed up with the present state of politics 14.8
Because there was no candidate or political party I wanted to vote for 21.9
Because the point of contention in the election was vague and I was

TOKYO 00003830 005 OF 013

not interested 9.0

Because there was no difference between political parties and I thought to myself that the results would be the same whichever party I vote for 13.2

Because I thought to myself that the outcome of the election would not be affected if I vote or if I don't 14.5

Because I couldn't go to the polls though I wanted to do so 37.8

Because I'm not interested in politics 17.8

O/A 3.3

N/A 4.1

Q: What did you consider to be important in the election this time? Pick as many as you like from among those listed below.

Economy, employment 42.7

Fiscal reconstruction 20.4

Tax reform, consumption tax 26.8

Social security, including pensions 61.3

Low birthrate countermeasures, including childcare support 17.3

Education reform 14.7

Administrative reform, including public service personnel 15.4

Politics-and-money issues 32.4

Social divide, including income gaps 23.9

North Korea 12.3

Foreign, security policies 8.8

Constitutional revision 9.2

Crisis management, including disaster prevention 6.2

Public security, crime prevention 8.9

Environmental protection 10.0

Food safety 14.7

Agricultural policy 5.8

O/A+NIP+N/A 8.9

Q: What do you think was called into question in the election this time for the House of Councillors? Pick as many as you like from among those listed below.

What the Abe cabinet has actually done 27.0

Whether or not to let the Abe cabinet stay on 38.1

Prime Minister Abe's political stance 36.8

Solution to the pension issue 58.4

Solution to social divide 20.3

Whether or not to revise the Constitution 9.2

What to do about the House of Councillors 8.7

O/A+NIP+N/A 1.9

Q: What was helpful in particular when you chose a candidate or a political party to vote for in the election this time? Pick up to two from among those listed below.

Campaign broadcast 16.9

Election bulletin 15.1

Newspaper advertisement 14.0

Political parties' TV commercial messages 10.2

Street campaign 6.6

Each political party's campaign pledge or manifesto 15.6

Flier, handout, poster 8.2

Newspaper or TV reporting on election campaign 42.3

Political party website, Internet advertisement 2.4

O/A+NIP+N/A 20.0

Q: The media reported that the ruling coalition could lose its

TOKYO 00003830 006 OF 013

majority in the House of Councillors and that the DPJ would likely become the largest party in the House of Councillors. How did those media reports affect your voting behavior? Pick only one from among those listed below.

I thought to vote for a ruling party or its candidate, and I did so 15.6

I thought to vote for a ruling party or its candidate, but I changed my mind to vote for an opposition party 2.4

I thought to vote for an opposition party or its candidate, and I did so 17.9

I thought to vote for an opposition party or its candidate, but I

changed my mind to vote for a ruling party 0.8
I was not affected in particular 53.3
I didn't see or hear anything like such media reporting 4.4
N/A 5.5

Q: At the time of the last House of Representatives election that was held in September 2005 with the then Koizumi cabinet's postal privatization initiative, which political party did you vote for in your proportional representation bloc? Pick only one from among those listed below.

LDP 48.3
DPJ 20.6
NK 4.7
JCP 2.8
SDP 1.9
PNP 0.6
NPN 0.1
New Party Daichi (NPD or Shinto Daichi) 0.1
Abstained from voting 8.9
Forgot + yet to reach voting age + N/A 12.0

Polling methodology

Date of survey: Aug. 4-5.

Subjects of survey: 3,000 persons chosen from among all eligible voters throughout the country (at 250 locations on a stratified two-stage random-sampling basis).

Method of implementation: Door-to-door visits for face-to-face interviews.

Number of valid respondents: 1,784 persons (59.5%)

Breakdown of respondents: Male-45%, female-55%; persons in their 20s-10%, 30s-13%, 40s-17%, 50s-24%, 60s-21%, 70 and over-15%; big cities (Tokyo's 23 wards and government-designated cities)-20% , major cities (with a population of more than 300,000)-19%, medium-size cities (with a population of more than 100,000)-25%, small cities (with a population of less than 100,000)-24, towns and villages-12%.

(2) Viewpoint - The Issue of Extending the Special Anti-terrorism Measures Law

MAINICHI (Page 5)
August 20, 2007

Overall Review Needed for "War on Terrorism"

By editorial writer Hiroshi Fuse

When the terrorist attacks took place on September 11, 2001, I was

TOKYO 00003830 007 OF 013

stationed in Washington D.C. When the US military launched an attack on Afghanistan about a month later, my honest impression was, "It finally started." When I visited the ruins of the World Trade Center, I was filled with resentment against the perpetrators of the terrorist attacks. And when I heard a loud noise, I could feel my body harden, thinking that it may be another terrorist attack. That was how I reacted although I am a foreigner. Thus, it is no wonder that US citizens eagerly waited for the US military offensive.

On the day after the 9.11 attacks, the UN Security Council (UNSC) adopted Resolution 1368, which expressed readiness to "take every necessary action." On the 20th of the same month, US President George W. Bush ordered the Taliban administration of Afghanistan to extradite Usama bin Ladin, who is suspected to have masterminded the terrorist attacks. On September 28, the UNSC adopted Resolution 1373. The Resolution reconfirmed the individual and collective right to self-defense based on the UN Charter. It also included measures for international cooperation to contain the flow of terrorist funding.

It was after these developments that the offensive in Afghanistan occurred on October 7. Thus, I believe that the United States strove to build consensus in the international community, although the offensive was executed as an exercise of the right to individual

collective self-defense. Ichiro Ozawa, president of the Democratic Party of Japan, is opposed to extending the Special Anti-terrorism Measures Law, claiming that the US offensive was not based on clear approval by the international community (or a UN resolution). However, I believe that it will be impossible for him to persist in his logic.

On the other hand, I cannot agree with people who seem as if they were instinctively and unconditionally in support of the law's extension, praising a refueling mission in the Indian Ocean as "a symbol of the Japan-US alliance." The "pro-US DNA" in these people may not necessarily lead Japan in the right direction.

There is time for us to think. For those people who agonize over whether the law "should be extended or not" in view of the Japan-US relationship, I would like to ask that they look at past developments and the overall picture of the "war on terrorism." As the second stage of the anti-terrorism war, the United States rushed headlong into the Iraq War, although Usama bin Ladin had not been captured. This created discord in joint international efforts against terrorism and continues to seriously fetter the efforts.

The reality is that many countries shelved doubts about the Iraq War, making the distinction that "Afghanistan and Iraq are different," and are striving to reconstruct Afghanistan and improve its security. Yet, the United States has not been able to allocate its resources to Afghanistan because it has been reducing strength in Iraq, whereas the US military's prolonged stationing in Iraq is energizing anti-US forces in Afghanistan. Unless this paradoxical situation is improved, it will be impossible to make good use of Japan's support.

The issue of extending the law is linked with the North Korean issue as well. Behind the dispatch of Ground Self-Defense Force troops was an ulterior motive to "make the United States owe one to Japan, so that Japan can provide against problems that may emerge concerning North Korea" (in the words of a senior Foreign Ministry official). However, what actually happened was that North Korea

TOKYO 00003830 008 OF 013

began to pose a greater threat with its missile launches and the nuclear test while the United States was occupied with Iraq. In view of this, a former high-ranking US official who is familiar with Japanese affairs indicated that Japan is a "victim" of the Iraq War.

It is troublesome if cooperation for the United States produces concern over Japan's security. We should take time to calmly consider "what Japan's national interests are."

(3) Reform council to take up agriculture, forestry and fisheries industries in final report due out at year's end

NIHON KEIZAI (Page 2) (Full)
August 20, 2007

The government's Council for Regulatory Reform (chaired by Japan Post Chairman Takao Kusakari) has decided to take up the reforms of the agriculture, forestry, and fisheries industries as one of the main features in its final report due out at the end of the year. The panel plans to discuss measures to promote farmland liquidity, increase people engaged in the forest industry, and to protect fishing resources. It will be the first time for the panel to take up regulatory reforms in the agriculture, forestry and fisheries industries as a package. The aim is to underscore the posture of prioritizing local industries, instead of the policy of focusing only on market mechanism.

The Council for Regulatory Reform intends to resume debate in mid-September, after the cabinet is reorganized. In its first report released in late May, the panel proposed reforms in 15 areas, such as the review of independent administrative corporations and assistance for second-chance programs. But the report stopped short of reforming areas that involve vested interests, such as farmland. Some critics labeled the first report as insufficient as a reform plan.

In the agricultural area, panel members will work out measures to promote farmland liquidity. Although the panel has reiterated the need to promote the entry of joint-stock companies into the agricultural industry, strict regulations on farmland acquisition stand in the way of such efforts. Given this, the panel intends to set forth measures to promote farmland liquidation also by means of leasing land, in addition to transactions. Although preferential inheritance-tax treatment is applied to land transactions, the report will look into also applying this favorable measures to leasing. In addition, the panel expects to discuss establishing an agent for leasing farmland.

Given the sharp decrease in the number of those engaged in the forestry industry, the panel plans to hammer out measures to expedite newcomers' access. Local governments and forestry cooperatives are stepping up efforts to train up successors, but many see little progress made to cope with the situation. The panel intends to come up with a comprehensive reform plan for the forestry industry, including the review of its cooperative system.

The panel has hardly discussed reforming the fisheries area so far. Against the backdrop of fishing resources drying up as a result of over-fishing, some are calling for reviewing the current system to manage fishing resources. The panel will discuss such measures as introducing an allocation system, using overseas cases as referendum.

TOKYO 00003830 009 OF 013

Calls are growing for revitalizing the agriculture, forestry, and fisheries industries by such means as boosting new entrants into the industry. On the other hands, farmers and farm industrial groups who may lose their vested interests through reform are reluctant about reform of the industry. If the discussion body tries to carry out reform in hurry, the Liberal Democratic Party's farm and forestry policy cliques in the Diet might stiffen their resistance.

(4) DPJ think-tank stepping up presence in party by compiling own pension plan

SANKEI (Page 5) (Full)
August 20, 2007

The public policy platform (Plato), a think-tank of Minshuto (Democratic Party of Japan or DPJ), is heightening its presence in the party. The think-tank has been supporting the party to come up with its policies, including giving substance to the party's manifesto (set of campaign pledges) for the July House of Councillors election. It also worked out its own pension-system plan. When it was founded, it received cool treatment, with one saying, "It's a waste of money." Its playing field will likely expand as a number of bills sponsored by lawmakers are expected to be submitted to the Upper House, which the DPJ now controls.

Plato was set up in 2005 in order to help the DPJ produce policy measures without relying on bureaucrats. Two DPJ staff members coming from financial circles hold full-time positions in the office located in Nishi-Shinbashi, Minato Ward. They have looked into individual policy issues, including foreign and security policy and decentralization, while consulting academics and experts in various fields.

The party leadership directed the think-tank this spring to come up with a pension system to cover the minimum pension benefits by tax money. The Plato moved ahead with a simulation, taking advantage of a large private-sector think-tank, and in early July, it presented a report to senior party members.

President Ichiro Ozawa, referring to this date, stated at a debate with Prime Minister Shinzo Abe on July 11 that those who receive an annual income of around 6 million yen would get full pension benefits. Those who get more than 6 million yen annually would find pension benefits reduced. He specifically said: "I want those who earn more than 12 million yen not to receive any benefits."

The DPJ's new pension plan has come under attack by the ruling

Liberal Democratic Party (LDP), which questions where the fiscal resources will come from, and the amount of the benefits. However, the new pension plan created an opportunity to bring about Diet debate on the pension system from that only on the pension records mismanagement issue. The party executive has determined that the new pension plan gave the party an edge on the debate.

Plato was established at a time when the DPJ was on a tight budget because party subsidies had been slashed as much as 1.3 billion yen due to a significant decrease in the number of lawmakers in the Lower House election, in which the appropriateness of postal privatization was the campaign issue. When the DPJ included 120 million yen in the 2006 budget, objections were raised from within the party that more money should be spent for the labor costs of

TOKYO 00003830 010 OF 013

party staffers.

A senior DPJ member said: "The possibility of political change is on the horizon." He indicated that the party intended to take advantage of Plato's resources. The DPJ will ask bureaucrats, who have shied away from it out of fear that of being influenced by the party, to attend study sessions. It reportedly also eyes to discover future political appointee staffers from among Plato collaborators.

(5) Editorial: Prime Minister Abe must use caution in discussing late Judge Pal

ASAHI (Page 3) (Full)
August 18, 2007

During his overseas trip from August 19 that will take him to India, Prime Minister Shinzo Abe is scheduled to meet with the son of the late Radhabinod Pal, who served as a judge at the Tokyo War Crimes Tribunal (International Military Tribunal for the Far East).

Pal was the only judge at the tribunal that took the dissenting view that all of Japan's 25 Class-A war criminals, including former Prime Minister Hideki Tojo, were not guilty.

Pal's question about the legitimacy of the Allied trials stuck a chord with the Japanese people, who were crushed by a sense of defeat. He has been idolized by some as the only judge who found Japan not guilty.

After the war, Pal was often invited to visit Japan. Tokyo decorated him with the Grand Cordon of the Order during his last visit to Japan, which was made possible by then Prime Minister Nobusuke Kishi, the grandfather of Prime Minister Abe.

About his planned meeting with the son of the late Judge Pal, Abe said: "Judge Pal was closely associated with Japan. I am looking forward to seeing his son to learn about his father." The story is not that simple.

The international community has been gazing coldly at Japan because of the former Imperial Japanese Army's involvement with the comfort-women issue, as well as prime ministerial visits to Yasukuni Shrine. Abe's meeting might end up sending out a message of rejecting the results of the international tribunal and Japan's wartime responsibility.

The sense of distrust in Abe comes from his reluctance to accept the results of the tribunal. Soon after assuming office, Prime Minister Abe used diplomatic language at the Diet, saying: "In terms of country-to-country relations, I am not in a position to object to the result of the tribunal."

Views are still split over the results of the tribunal. Such concepts as a "crime against peace" and a "crime against humanity" were established after the war's end, and the United States, a victor of the war, was not tried for dropping atomic bomb on Japan. At the same time, massacres and conspiracies by the Imperial Japanese Army came to light for the first time. The tribunal also served as a milestone for establishing international law on war.

Although the tribunal had both good and bad aspects, there is no doubt that Japan was allowed to rejoin the international community

TOKYO 00003830 011 OF 013

because it accepted the verdict. That was Japan's way of bringing the war to closure. Political leaders must always keep that in mind.

It is also noteworthy that some Japanese have taken Pal's view to serve their own interests. Specifically, some conservatives have taken it to mean that Japan was free from war responsibility.

Pal's view was that under the international law at the time, Japan could not be held responsible for the war of aggression. At the same time, he harshly criticized the Imperial Japanese Army for the Nanjing Massacre and other incidents. The judge held Japan morally instead of legally responsible.

Ashis Nandy, an Indian political psychologist and sociologist of science who knew Pal personally, strongly warned against using Pal to justify Japanese militarism.

Is Prime Minister Abe aware of Judge Pal's overall view? He must abstain from partially discussing Pal's views with his son.

(6) Political Funds - Female employee in Shiozaki's office embezzles funds for personal overseas trip and other purposes

Online Mainichi
By Shinichiro Nishida

It was learned on 20 August that a female employee of the office of Chief Cabinet Secretary Yasuhisa Shiozaki had misappropriated for her personal use some political funds of the Liberal Democratic Party's (LDP) Ehime No. 1 constituency branch. Shiozaki serves as the branch's representative. To conceal the embezzlement, some receipts that had already been attached to the 2005 election campaign funds report were attached again to the branch's political funds report. The female employee concealed 6.268890 million yen in funds by attaching the receipts twice. According to Shiozaki's office, the female employee was dismissed on 19 August as a punitive measure, after she had admitted her act. Shiozaki's office will investigate to see if there was other illicit use of funds, and is considering lodging a criminal complaint against the employee.

Shiozaki's office, on 20 August, made corrections to the branch's 2005 political funds report. The female employee reportedly said that she had used the misappropriated funds for "overseas trips and other purposes." Because there have been several issues of unclear office expenses involving cabinet ministers, the Liberal Democratic Party instructed its lawmakers after the recent Upper House election to look into political funds reports up to the last four years. The misappropriation by the female employee was discovered by an investigation following this instruction.

Chief Cabinet Secretary Shiozaki commented: "I am very shocked, and it is regrettable. I know that I have managerial and supervisory responsibilities and have made deep self-reflection (about the misappropriation). I would like to make all-out efforts to find out the facts and to prevent such a recurrence."

(7) TOP HEADLINES

Asahi:
Tokyo Electric Power concerned about possibility of drying up excess supply capacity while Kashiwazaki-Kariwa nuclear power plant

TOKYO 00003830 012 OF 013

suspended

Mainichi:
Health Ministry gives up plan to reduce hospitals' department names, in face of opposition from medical community

Yomiuri:

Past test questions may be reused for annual university entrance exams

Nikkei:

Japanese firms increasingly depending on overseas business for earnings

Sankei:

J League to offer services to increase elderly persons who need no nursing care, making use of local characteristics

Tokyo Shimbun:

Transport Ministry plans to facilitate a new transport safety committee to carry out incident investigative activities independently

Akahata:

JCP Chairman Shii delivers campaign speech for candidate Yoshikawa for Saitama gubernatorial election

(8) EDITORIALS

Asahi:

- (1) Government-affiliated financial institutions: We expect appointments for executive posts that will add momentum to reforms
- (2) Reconstruction in Afghanistan must be put on track again

Mainichi:

- (1) Let's map out measures to prevent elderly criminals from being isolated
- (2) Overall review of "fight against terrorism" necessary in considering whether to extend Antiterrorism Law

Yomiuri:

- (1) Ruling, opposition camp must seriously discuss ban on misappropriation of pension funds, involving no bargaining
- (2) Deepen analysis of relations between economic growth and disparities

Nikkei:

- (1) New rules on ways of working urged for

Sankei:

- (1) Further reform college systems
- (2) Take coral bleaching as warning from the sea about global warming

Tokyo Shimbun:

- (1) Timing for shift from analogue broadcasting to ground digital one might be too early in view of costs
- (2) Shanghai Cooperation Organization's (SCO) first joint drill evoking concerns about strengthened military aspect

Akahata:

- (1) GSOMIA aimed at hiding information from the public

TOKYO 00003830 013 OF 013

(9) Prime Minister's schedule, August 19

NIKKEI (Page 2) (Full)
August 20, 2007

10:53

Set out on trip to Indonesia, India, and Malaysia from Haneda Airport on government plane.

Afternoon

Arrived in Jakarta, Indonesia.

Evening

Met Japanese living in Jakarta at Hotel Nikko.

Night

Stayed at Hotel Nikko.

